NSC BRIEFING

24 September 1954

CURRENT SITUATION - CHINESE OFFSHORE ISLANDS

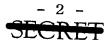
- I. Continuing Communist threat to Quemoys:
  - A. Communist artillery hit Quemoys with 3,600 rounds on 22 September.
  - B. Compares with 6,000 rounds on 3
    September; 100-200 rounds daily
    average since 3 September.
  - C. Latest shelling may be response to Nationalist strikes.
  - D. May presage more aggressive

    Communist defense of Amoy area,
    including use of planes.
- II. No signs, however, that Communist land and naval forces being concentrated for invasion of Quemoys.
  - A. Also no evidence Communist air units moved closer to Quemoys.

SECRET

- B. Still some chance of Communist air and amphibious attacks on Quemoys, particularly if US forces in area withdrawn.
- C. As face-saving alternative,

  Communists might attack two tiny
  islands southwest of Quemoys.
- III. Continuing Nationalist operations in Amoy area:
  - A. Nationalist air and naval patrols along Fukien and Chekiang coasts.
  - B. Nationalist bombing of mainland targets continuing.
  - C. Reinforced artillery has permitted heavier Nationalist counter-fire.
  - D. Additional tanks soon to be sent; demolition teams arriving to begin raids on mainland.



- E. Nationalist reported planning raid on mainland, in brigade strength, after 30 September.
- F. This planned raid may be intended to provoke Communist counteraction and involve US forces.
- IV. Renewed threat to Tachens.
  - A. Unusually large concentration

    Communist shipping observed in

    Haimen area, 25 miles NW of Tachens,

    on 13 September.
  - B. Two days later, Communist artillery fired on Ichiang, 9 miles NW of Tachens.
  - C. Communist air patrolling of area between Ningpo and Tachens continues.
  - D. Shipping necessary to transport 30,000 troops—enough to take Tachens—could be assembled by Communists quickly, with little warning.

- 3 -

- V. Nationalists alert to threat.
  - A. Nationalists have intensified air and sea reconnaissance near Tachens, have ordered supplies to Tachens increased.
  - B. Nationalist strength on Tachens about 10,000 regulars, 7,500 guerrillas.
- VI. Meanwhile Communist propaganda against Formosa continues, highlighted by 23 September blast by Chou En-lai.
  - A. Chou declares, for first time,
    US 7th Fleet "must be driven
    out."
  - B. However, Chou's speech, like all top-level pronouncements, suggests that further preparations are necessary.

- 4 -



#### CECRET

C. In this connection we have reports from Hong Kong that Communists have placed "large" order for life-belts--total rumored to be 300,000.